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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF FINANCE

(Department of Revenue and Insurance)

NOTIFICATION

INSURANCE

New Delhi, the 10th December 1971

S.O. 5486.—In exercise of the powers conferred by sub-section (1) of section 3 of the Emergency Risks (Undertakings) Insurance Act, 1971 (No. 51 of 1971), the Central Government hereby puts into operation the following scheme.

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE SCHEME

1. **Short title, extent and commencement.**—(1) This Scheme may be called the Emergency Risks (Undertakings) Insurance Scheme.

(2) It extends to the whole of India.

(3) It shall come into force on the 10th day of December, 1971.

2. **Definitions.**—In this scheme, unless the context otherwise requires.—

(i) "the Act" means the Emergency Risks (Undertakings) Insurance Act, 1971 (No. 51 of 1971).

(ii) "Government agent" means any person employed under section 4 to act as the agent of the Central Government for any of the purposes of the Act.

(iii) "paragraph" means a paragraph of this Scheme;

(iv) "Section" means a section of the Act.

(v) words and expressions not defined herein have the meanings assigned to them in the Act.

3. **Scope and extent of the scheme.**—(1) The Central Government hereby undertakes in relation to the undertakings to which the Act applies, the liability of insuring such properties insurable under the Act against emergency risks to the extent provided by the Act.

(2) The Central Government also hereby undertakes in relation to any person in India the liability of insuring such person against emergency risks in respect of any property insurable under the Act which is not owned by him but in which he has an interest, up to the extent of such interest.

4. **Insurance of completed properties.**—(1) Every owner of an undertaking in existence at the commencement of this scheme shall, within the period specified in the notification made under sub-section (1) of section 5, take out a policy of insurance against emergency risks in accordance with this Scheme.

(2) Subject to the provisions of paragraph 5, every owner of property becoming property insurable under the Act, after the date specified in the notification referred to in sub-paragraph (1) shall, before the commencement of the quarter next following that in which the property becomes insurable under the Act, take out a policy of insurance against emergency risks in accordance with this scheme.

(3) Every owner of an undertaking who is required by the Central Government to reconstruct the insured property which has suffered damage shall, before the commencement of the quarter next following that in which the reconstruction of the property is completed, take out a policy of insurance against emergency risks in accordance with this scheme.

(4) Where the owner of an undertaking which is a factory is not the occupier thereof, the occupier of the factory shall, unless the owner has already taken out a policy of insurance, himself take out the policy and when such a policy is taken out, the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid by him as premiums on the policy.

5. **Works in course of construction.**—(1) This scheme shall also extend to the undertaking by the Central Government in relation to works in the course of construction which, when completed, will become properties insurable under the Act, and in relation to plant and machinery appertaining to such works, the same liabilities as are undertaken by this scheme in relation to undertakings, to the extent such plant or machinery is not for the time being covered against emergency risks by any other policy of insurance and also to the extent such plant or machinery is not insurable for the time being under the Emergency Risks (Goods) Insurance Act.

(2) A policy may be taken out optionally at the instance of the owner or the intending occupier in relation to the works and plant and machinery referred to in sub-paragraph (1). When any such option is exercised, an application for the policy shall be made within one month from the date of commencement of this scheme, or one month from the commencement of the works, whichever is later. An option once exercised shall be final, and where a policy of insurance has been taken out under this provision, it shall also be compulsory for the owner to take out policies of insurance in sub-sequent quarters, until such time as the completed property becomes compulsory insurance under the provisions of paragraph 4.

6. **Method of application.**—(1) Every application for insurance under the scheme shall be in accordance with the form set out in Part A or Part B of the First Schedule according as the application is for an original or a supplementary policy and shall be made to the Government agent or to such officer of the Government agent as may be authorised by that agent in this behalf.

(2) Every such application shall be accompanied by a treasury chalan evidencing payment of the requisite premium into a Government treasury under the head L. II. Miscellaneous-Emergency Risks (Undertakings) Insurance Scheme, 1971—Insurance Premiums.

(3) If there is any change in the ownership or occupation of a factory or the ownership of an undertaking during the currency of a policy of insurance notice thereof shall be given to the Government agent in the form set out in the Seventh Schedule.

7. **Mode of Valuation of insurable properties.**—For the purpose of insurance under the Act, the insurable value of property shall be ascertained in accordance with the following principles:—

(a) The insurable value shall be the actual value in the case of completed works, and the estimated value of the works which are in the course of construction, or additions to property which are anticipated or expected to be completed, in both cases at the prices prevailing on the relevant dates after making due allowance for any depreciation,

Provided that in respect of the standing tea crop the insurable value shall be ascertained in the following manner, namely:

(i) The average annual sale proceeds of cured and processed tea sold from a garden during the three accounting years immediately preceding the date on which the growing tea crop in that garden first becomes insurable under the scheme shall be ascertained and from the said average annual sale proceeds deductions shall be made, firstly, on account of profit on sales, at an amount equivalent to five per cent of the ascertained average annual sale proceeds, and secondly on account of the average annual expenditure attributable to curing, processing, transport, handling and sales, at an amount equivalent to the average annual recurring expenditure of the garden during the said three years as ascertained from the income and expenditure account or, if no such account is maintained, from the profit and loss account (after excluding from such average annual recurring expenditure any expenditure on account of fertilisers, labour establishment or any other expenditure connected with or arising out of agricultural operations),

(ii) the balance of the sale proceeds as arrived at in accordance with the provisions of clause (i) shall be treated as the annual value of the standing tea crop in the garden and the said annual value shall be insurable under the scheme,

(iii) the annual value of the standing tea crop in a garden as arrived at in accordance with the provisions of clause (ii) shall be deemed, without any reference to the stage or degree of growth of the crop at any time, but subject to the provisions of clause (iv), to be the insurable value thereof at all periods from the date of commencement of agricultural operations in the garden in any season to the date on which the plucking of tea in that garden is completed in that season, the dates aforesaid being certified in every season for the purposes of this scheme by the person who is liable to insure the crop,

(iv) the owner of any tea garden shall, when he first becomes liable to insure the standing crop in that garden and at the commencement of any quarter during which any insurance policy issued under this scheme is in force thereafter, ascertain as nearly as may be in accordance with the principles set out in clauses (i) and (ii), the value of the crop, which having been plucked is liable to or can be insured under the Emergency Risks (Goods) Insurance Scheme, and thereupon, the insurable value of the growing tea crop in that garden shall be reduced accordingly.

(b) All plant and machinery and the hull, machinery and fittings of inland vessels, which is part of the property to be insured under the scheme shall be valued as part of a going concern or a serviceable vessel as the case may be and not as scrap.

(c) The relevant dates referred to in clause (a) shall be—

(i) in relation to completed works, the date from which the policy is to take effect, and

(ii) in relation to works which are in the course of construction or additions to property which are anticipated or expected to be made, the last day of the quarter in which the application for insurance is made.

(d) If any doubt arises whether the insurable value of the standing tea crop in any garden has been correctly computed in accordance with the principles set out in the proviso to sub-paragraph (a), the matter shall be referred to the Chairman, Tea Board, whose decision thereon shall be final.

8. **Rate of premium.**—(1) The premium payable under any policy of insurance issued in respect of the quarter ending on the 31st December, 1971, shall be payable at the rate of fifteen paise for every hundred rupees or any part thereof of the sum insured.

(2) The amount of the premium payable under sub-paragraph (1) shall be rounded off to the nearest rupee and shall be payable in one lump sum in respect of the entire quarter for which the policy is or is continued in force, provided that if any property becomes insurable under the scheme after the commencement of a quarter, the amount of the premium shall be payable in one lump sum, which shall be equivalent to the amount payable in respect of properties insurable during that entire quarter reduced by an amount which bears to the first mentioned amount the same proportion which the number of completed months in that quarter before the property becomes insurable bears to three, the actual amount due in accordance with this provision being rounded off to the nearest rupee.

9. **Issue of policy and verification of previous policies.**—(1) If the application has been correctly made out in the prescribed form and is accompanied by a treasury chalan evidencing payment of the premium into a treasury under the head of account specified in sub-paragraph (2) of paragraph 6, the Government agent shall issue a policy of insurance as soon as possible after the receipt of the application.

(2) If no chalan accompanies an application, or if the chalan is not in order the application shall be returned to the applicant for re-submission along with the required chalan.

(3) If the chalan accompanying an application is in order but the application for insurance is not received in accordance with the form set out in the First Schedule, the chalan may be retained by the Government agent and the application returned to the applicant for re-submission after being correctly made out.

(4) If the chalan accompanying an application form is for an amount which falls short of the premium due on the insurable value of the property, a policy for such proportion of the insurable value as the amount paid under the chalan bears to the premium due shall be issued and the applicant shall be asked to make a further application in respect of the balance of the insurable value of property which may remain uncovered.

(5) Notwithstanding anything contained in the provisions of the foregoing sub-paragraph, if an application shows that the applicant has taken out a policy of insurance in respect of the same property or any part thereof against fire, accident or marine risks, issued by any insurer, the Government agent may, in his discretion postpone the issue of a policy under this scheme until enquiries have been made from that insurer.

10. **Form and duration of policy.**—Every policy of insurance issued under the scheme shall be in the form set out in the Second Schedule, and shall be in respect of the period ending on the last day of the quarter for which the policy is issued.

11. **Each undertaking to be covered by one policy.**—(1) Every policy shall be in respect of property insurable under the Act appertaining to a single undertaking, provided however that when any plant, machinery or materials appertain to more factories than one, such plant, machinery or materials may be insured separately under a single policy issued in relation to the owner or occupier of any one of those undertakings.

(2) If during the currency of a policy, any additions are made to the property insurable under the Act appertaining to the undertaking, a supplementary policy shall be taken out in respect of such additions.

12. **Date of effect of policies.**—(1) Where the policy of insurance is in respect of a completed or normally working undertaking, the owner or occupier of which is required to take out a policy of insurance in accordance with the provisions of

paragraph 4, the policy shall be issued so as to take effect from the date on which he becomes so liable or the date on which the premium is paid whichever is later.

(2) Where the policy of insurance is in respect of works in the course of construction which, when completed, will become properties insurable under the Act and plant and machinery appertaining to such works which are not compulsorily insurable but may at the option of the owner or intending occupier be insured under paragraph 5, the policy shall be issued so as to take effect from the date of commencement of the risk or from the date of payment of the premium whichever is later.

(3) For the purposes of sub-paragraph (1), the owner or occupier as the case may be of an undertaking which is in existence at the date of commencement of this scheme shall be deemed to have become liable to take out a compulsory policy of insurance at the date of such commencement, and the owner or occupier as the case may be of an undertaking which comes into extstence after the date of such commencement shall be required to indicate in his application the date on which he becomes or has become so liable.

13. **Failure to pay premium and evasion.**—(1) Where any person has failed to pay any premium due from him or to insure as, or to the full amount, required by the Act and has thereby evaded the payment by way of premium of any money which he would have had to pay but for such failure, the amount evaded shall be determined in accordance with the Third Schedule.

(2) Every person against whom a determination has been made in pursuance of sub-paragraph (1) may, within the period laid down in the Third Schedule appeal to the Central Government whose decision shall be final.

(3) Where any penalty is recovered from any person under sub-section (1) of section 11 during any quarter in respect of a part or the whole of that quarter, such person shall pay, in addition to the penalty, the premium for the unexpired portion of that quarter and on payment of such premium and on receipt of a completed application from such person, a policy shall be issued to him for the unexpired portion of that quarter:

Provided that the policy shall take effect from the date on which the premium is paid.

14. **Loss of policy.**—In the event of the loss of a policy, a duplicate policy shall not be issued, but if it is satisfactorily proved that a policy has been issued, the absence of that policy shall not be a bar to any claim thereunder.

15. **Overlapping policies, cancellation and refund.**—Notwithstanding anything contained in this scheme, where a policy has been taken out in respect of any property insurable under the Act appertaining to an undertaking or other premises and that property is subsequently exempted under section 15 or is destroyed otherwise than by any action or measure comprised in the expression "emergency risks" the policy shall be cancelled with effect from the date on which the exemption takes effect, or, as the case may be, the property is destroyed as aforesaid, and thereupon out of the amount of the premium collected immediately before the cancellation of the policy in respect of the quarter in which the policy is cancelled a refund shall be made in the proportion which the number of complete months for which the policy is cancelled bears to three.

16. **Share of risk to be borne by the insured person.**—(1) The insured person shall bear in respect of each claim twenty per cent of the loss or damages.

(2) If the total value of the insurable property shall exceed the sum insured under the policy, the insured person shall be considered as being his own insurer for the excess as well as for twenty per cent of the sum insured, for the purpose of his bearing a rateable proportion of the loss.

17. **Mode of settlement of claims.**—(1) Payment of compensation under the scheme shall be made, at the option of the Central Government, within the limits of the liability assumed by it, in any of the following forms, namely—

(a) in a case where the Government exercises the option to pay the cost of restoring the property lost or damaged as far as practicable to the condition in which it extended before the occurrence of such loss or damage, on such restoration, in such manner and by such instalments as the Central Government may think fit; or

(b) in a case where the Central Government decides to make the payment in instalments during the progress of the works relating to the restoration of the property lost or damaged, in instalments as determined by the Government and at the expiration, in the case of each instalment, of such period, after the restoration of the relevant parts, as may be required to ascertain the fact of restoration and the proper cost thereof; or

(c) compensation for the loss in value, ascertained on the values and prices prevailing at the time at which the policy of insurance took effect, or at which the loss occurred, whichever is less suffered by the property as a result of the damage, after making due allowance for depreciation upto the time of occurrence of the loss or damage, in such instalments, if any, as the Central Government may think fit.

(2) Any payment under sub-paragraph (1) may be postponed to a date later than one year from the date on which the Act ceases to be in force but in the event of any such postponement, simple interest at the rate of two per cent per annum from the expiry of the said one year shall be paid on the portion of claim admitted by the Central Government and remaining unpaid, until such time as the claim is discharged in full.

18. **Statement of Claims, verification and payment.**—(1) All claims shall be submitted in writing in the form given in the Fourth Schedule to the Government agent within the time specified in condition 7 of the conditions set forth in the Second Schedule.

(2) On receipt of a claim, the Government agent shall have the claim verified, and the loss or damage, if any assessed by a person who is for the time being a loss assessor recognised by the Central Government in this behalf or if the Central Government so directs, by such person or persons as may be specially deputed by it for this purpose.

(3) As soon as the loss assessor has verified the claim and assessed the loss or damage, if any, he shall make a report thereon to the Government agent, who shall after such further verification as he thinks fit to make, forward the report, with his remarks and recommendation to the Government of India in the Ministry of Finance (Department of Revenue and Insurance).

(4) On receipt of any payment under this scheme, the claimant shall give a receipt in the form set out in the Fifth Schedule.

19. **Provision for safeguarding of property insurable under the Scheme.**—The Central Government may make regulations for safeguarding any property insurable under the scheme against loss or damage as a result of emergency risks or for minimising any such loss or damage and may without prejudice to the said regulations any general or special order, to all undertakings generally or to any particular undertaking as it may think fit for the purposes aforesaid.

(2) Any order issued under sub-paragraph (1) may require the owner or occupier as the case may be, of an undertaking or a factory in respect of which any payment towards the restoration of property has been made under this scheme to reconstruct the property or to alter the premises thereof in such manner as to avoid or minimise the consequences of any future emergency risks or to provide for such safety or precautionary measures as may reasonably be necessary, or if it is considered expedient or necessary so to do, to remove the property to any other site.

(3) Every owner or occupier shall comply with the requirements of any regulations or orders made in this behalf.

(4) Where the Central Government requires the owner or occupier as the case may be, of the undertaking to remove the property to any other site as provided for in sub-paragraph (2), the Central Government shall pay to such owner or occupier the cost of removal of the property and the cost of replacement of any property for which compensation may not be otherwise payable but which may be lost or damaged as a result of such removal, on the receipt of a claim from the owner or occupier, and the procedure prescribed in paragraph 18 shall be followed, as far as practicable in relation to the verification and payment of any such claim.

20. **Persons authorised for certain purposes of the Act.**—The Central Government may authorise any person under section 8 of the Act to obtain any information and to do any other thing as provided for in the said section, and every person who is liable to take out, or who has taken out, a policy of insurance under this scheme shall at all times provide and cause to be provided all reasonable facilities to the person so authorised, for enabling him to discharge his duties in pursuance of or in relation to this scheme.

21. **Publication of accounts.**—An account of all sums received into and paid out of the Emergency Risks (Undertakings) Insurance Fund shall be prepared in the form set forth in the Sixth Schedule and shall be published annually.

22. **Interpretation.**—If any doubt arises in regard to the interpretation of any provisions of this scheme, the matter shall be referred to the Central Government whose decision thereon shall be final.

THE FIRST SCHEDULE

(*See* Paragraph 6)

PART A

FORM OF APPLICATION

GOVERNMENT OF INDIA

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971.

No. 51 OF 1971)

Application for insurance of property insurable under the Act. No.....

1. Applicant's Name:
2. Address:
3. Business:
4. Description and Situation of the premises/properties.
5. Are the premiums a factory as defined in Section 2(m) of the Act 1948?
6. If the property is in course of construction when will it be completed?
7. Date on which property to be insured became insurable:
8. What is the nature of your interest in the property to be insured?
9. If you are the occupier of a factory within the meaning of section 2(n) of the Factories Act 1948 but do not own the property, the following should be answered:—
 (i) Name and address of owner:
 (ii) Have you been requested by the owner to effect this insurance on his behalf?
 (iii) If not, are you aware whether the owner is also applying for insurance?
10. Description of property to be insured:
11. Are the Buildings, Plant, Machinery and Materials and other properties to be insured, insured against Fire, Accident or Marine Risks?
12. If so, state (a) Name of insurer.
 (b) Total sum insured on
 (i) the Buildings Rs.
 (ii) the Plant, Machinery & Materials Rs.
 (iii) other properties (give datails) Rs.

 Total Rs.
13. Insurable value on the date of this application, of:—
 (a) the Buildings Rs.
 (b) the Plant, Machinery & Materials Rs.
 (c) other properties (give details) Rs.

 Total Rs.

14. In the case of works in course of construction what is the estimated value on the last day of the Quarter in which the insurance is effected, of:—

(a) the Buildings Rs.
(b) the Plant, Machinery & Materials Rs.
(c) other properties (give details) Rs.

Total Rs.

NOTE.—Separate amounts must be declared as among (a) (b) and (c) in answer to questions 13 and 14 but separate amounts need not be declared against each block. In the event of a claim, however, the claimant may be called upon to show in detail how the valuation has been made up.

15. (i) Has any other person any insurable interest in the property to be insured?

(ii) If so, give particulars:

16. Date from which insurance is to commence.

I/We warrant that the above statement and particulars are true and I/We request you to effect Emergency Risks (Undertakings) Insurance on my/our behalf with the Government of India in terms of the standard policy which I/We agree to accept.

I/We further agree that this application shall be the basis of the contract between the President and mysalf/ourselves.

I/We enclosed chalan dated.....for Rs..... paid into

*The Treasury
*Reserve Bank of India
*State Bank of India

at.....
Date.....

Signature of applicant

(*Strike out whichever is inapplicable)

ACKNOWLEDGEMENT

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971

Received from.....application number..... dated alongwith chalan dated for Rs. paid into

*The Treasury
*Reserve Bank of India
*State Bank of India

at.....
Date.....

Signature of authorised
representative of Government Agent.

(*Strike out whichevar is inapplicable)

PART B

FORM OF APPLICATION FOR A SUPPLEMENTARY POLICY

GOVERNMENT OF INDIA

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971

(No. 51 OF 1971)

Application for supplementary insurance

No.

1. Applicant's Name:
2. Address:

3. Business:

4. Description and Situation of the premises/properties.

5. Numbers of the previous policies (original and Supplementary under the Emergency Risks (Undertakings) Insurance Act:

6. Amounts insured by the previous policies on

(a) the Buildings		Rs.
(b) the Plant, Machinery & Materials		Rs.
(c) other properties (give details)		Rs.
	Total	Rs.

7. Description of the property to be insured:

8. Additional amounts for which insurance is now to be effected on:

(a) the Buildings		Rs.
(b) the Plant, Machinery and Materials		Rs.
(c) other properties (give details)		Rs.
	Total	Rs.

9. Reasons for making this application.

10. (i) Has any other person any insurable interest in the property to be insured?

(ii) If so, give particulars:

11. Date from which insurance is to commence.

I/We warrant that the above statement and particulars are true and I/We request you to effect Emergency Risks (Undertakings) Insurance on my/our behalf with the Government of India in terms of the standard policy which I/We agree to accept.

I/We further agree that this application shall be the basis of the contract between the President and myself/ourselves.

I/We enclose chalan dated for Rs. paid into

*State Bank of India

*Reserve Bank of India

*The Treasury

at.....

Date.....

Signature of applicant

(*Strike out whichever is inapplicable)

ACKNOWLEDGEMENT

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971

Received from.....application number.....dated alongwith chalan dated for Rs. paid into

*The Treasury

*Reserve Bank of India

*State Bank of India

at.....

Date.....

Signature of authorised representative of Government Agent.

(*Strike out whichever is inapplicable.)

Note to the First Schedule

Where the property to be insured is inland vessel:—

(a) in the form of application for the entry "Description of property to be insured" the following entry shall be substituted namely:—

DESCRIPTION OF PROPERTY TO BE INSURED

1	2	3	4		
Item No.	Registered No. Name or Mark of Identity	Description of vessel and purpose for which used.	(a) Value of vessel including the machinery and fittings (if any) Rs.	(b) Value of fuel and stores for the use of the crew Rs.	(c) Total value of (a) and (b)

(b) in the forms of the application for an original or a supplementary policy for the entries:—

"(a) Buildings Rs.....

(b) Plant, Machinery & Materials Rs.....

(c) Other properties (details to be given) Rs.....

Total Rs....."

wherever they occur,

the following entries/shall be substituted, namely:—

(a) Inland Vessels (including the hull, machinery and fittings thereof) Rs.....

(b) Fuel and Stores for the use of the crew Rs.....

Total.....Rs....."

SECOND SCHEDULE

(*See* Paragraph 13)

GOVERNMENT OF INDIA

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT 1971 (NO. 51 OF 1971)

Policy No.

Supplementary to

Policy No.

Policy of Insurance in respect of properties insurable under the ordinance.

This Policy and the Specification hereto (which forms an integral part of this Policy) shall be read together as one contract, and the words and expressions to which specific meanings have been attached in the Specification shall bear those meanings wherever they may appear.

THE SPECIFICATION

The President. The President of India.

The Government Agent.....

The Insured.....

Address

The Insured's business.....

The Property insured

Description and Situation of Property insured
Sum for which insured:

(a) Buildings Rs.

(b) Plant, Machinery & Materials. Rs.

(c) Other properties (give details) Rs.

Total Rs.

Period of Insurance:

From the.....day of.....19 .

to the day of 19 .

Premium Rs.

Paid into the Treasury / Reserve Bank of India / State Bank of India on the day of.....19 at

Whereas the Insured has made and forwarded to the Government Agent a signed application for insurance, which application he has agreed shall be the basis of this Policy, and has paid the amount of premium named above.

Now this Policy witnesseth that in consideration of the Insured paying to the President the said premium the President agrees (subject to the provisions of the Emergency Risks (Undertakings) Insurance Act, 1971 hereinafter referred to as "the Act" and the provisions of the Emergency Risks (Undertakings) Insurance Scheme and the conditions contained herein, which conditions shall, so far as the nature of them respectively will permit, be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if during the period of insurance stated above the property insured or any part of such property shall suffer any loss or damage, being loss or damage, caused by any act comprised in the expression "Emergency Risks" as defined for the time being in the Act, the President will indemnify the Insured against diminution in value caused by that loss or damage to the extent provided by or under the Act.

In witness whereof, I, being duly authorised in that behalf have hereto set my hand for and on behalf of the President.

Signed for and on behalf of the President————
this————day of————19 .

CONDITIONS

1. The President shall be under no liability under any policy of insurance to which these conditions apply (hereinafter referred to as "the policy") if and in so far as the Insured is not entitled to be insured for the sum thereby insured in respect of the property insured under the Act.

1A. The insured shall pay the additional premium if any that is to say, the additional amount by way of premium over and above that specified under the heading "The Specifications" which he would be liable to pay as a consequence of any revision of the rate of premium under paragraph 8 of the Emergency Risks (Undertakings) Insurance Scheme, and if he fails to pay such additional amount within a period of fifteen days from the date on which he becomes so liable the policy shall cease to be in force with effect from the aforesaid date and all benefits under the policy shall be forfeited."

2. The liability of the President under the policy shall not exceed in the aggregate eighty per cent of the sum thereby insured, and after the happening of any loss or damage the sum insured by the policy shall be deemed to be reduced by the amount of that loss or damage, and thereupon the liability of the President shall be limited to eighty per cent of the reduced sum.

3. The Insured shall bear, in respect of each claim, twenty per cent of the loss or damage.

4. If at the time of the happening of any loss or damage the sum insured by this policy shall be less than (a) the total value of the property at the time of the loss or damage or (b) the total value of the property on the date of commencement of insurance whichever is less the insured shall be considered as being his own insurer for the excess as well as for twenty per cent of the sum insured for the purpose of his bearing a rateable proportion of the loss.

5. If at the time of the happening of any loss or damage there be any other insurance effected by or on behalf of the Insured covering any of the property suffering that loss or damage against emergency risks, the liability of the President under the policy shall be limited to eighty per cent of its rateable proportion of such loss or damage.

6. The Insured shall at the request and expense of the President do and concur in doing and permit to be done all such acts and things as may be reasonably required by the President for the purpose of enforcing any rights and remedies to which the President is or would become entitled or subrogated upon paying for or making good any damage, whether such acts and things shall be required before or after that indemnification by the President.

7. On the happening of any loss or damage the Insured shall forthwith give notice thereof in writing to the Government agent, and shall within fifteen days after such loss or damage, or such further time as the Government agent may in writing allow, at his own expense deliver to the Government agent a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property suffering that loss or damage and of the amount of such loss or damage having regard to their value on the basis of the values and prices prevailing on the date of commencement of the insurance or on the date on which the damage or loss occurred whichever is less together with details of the interest of any person other than the Insured in the property insured and details of any other insurances on the property insured. The insured shall also give to the Government agent all such proofs and information with respect to the claim as may reasonably be required, together with (if demanded) a declaration verified by an affidavit, of the truth of the claim and of any matters connected therewith. No claim under the policy shall be payable, unless terms of this condition have been complied with.

8. If the claim be in any respect fraudulent, or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this policy, or if any loss or damage be occasioned by the wilful act or with the connivance of the Insured, all benefits under the policy shall be forfeited.

Provided that the benefits under the policy shal not be forfeited even though the loss or damage is occasioned by the wilful act and with the connivance of the Insured, when the wilful act is done under orders of proper authority, or where the Insured permits certain measures to be taken under orders of proper authority, and if any question arises as to whether any act of the kind mentioned above has been taken under proper authority, the Central Government shall decide the matter and such decision shall be final and fully binding on the Insured.

9. On the happening of any loss or damage, in respect of which a claim is or may be made under the policy, the Government agent and every person authorised by the Government agent may, without thereby incurring any liability, and without diminishing the right of the President to rely upon any conditions of the policy enter, take or keep possession of the building or premises where the loss or damage has happened, and may take possession of or require to be delivered to them any of the property insured, and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and licence of the Insured to the President so to do. If the Insured or any one acting on his behalf shall not comply with the requirements of the President, or shall hinder or obstruct the President or any person acting on his behalf in doing any of the above mentioned acts, then all benefits under this policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the President whether taken possession of by the President or not.

10. No refund of premium shall be allowed in respect of the policy except as provided by or under the Emergency Risks (Undertakings) Insurance Act.

11. In the event of a transfer of interest, this policy may be assigned but such assignment shall not take effect until notice of assignment has been given to the President.

12. The Insured shall at all times take due precautions for the safety of the property insured having regard to the nature thereof, and in particular, if at any time any property insured sustains damage due to emergency risks, the Insured

shall take all reasonable steps to preserve the property insured from damage or further damage, as the case may be.

13. If in his application for the insurance effected by the policy, the Insured shall have intentionally made a material mis-statement as to the value of the property insured all benefits under the policy shall be forfeited.

14. If the Insured shall fail to comply with any regulations or instructions made or issued under the authority of the Central Government for safeguarding the property against loss or damage from emergency risks, all benefits under the policy shall be forfeited.

15. The amount which the Insured may provide for depreciation and which may be entered in the annual accounts of the Insured shall not be taken as final and conclusive as against either the President or Insured in settling any loss or damage which may occur.

16. If the President elects to pay eighty per cent of the cost of restoring any property insured, the Insured shall at his own expense produce and give to the President all such plans, documents, books and information as the President may reasonably require. The President shall not be bound to pay the cost of exact or complete restoration but only of such restoration as circumstances permit and as is reasonably sufficient and shall not in any case be bound to expand in respect of the property insured more than eighty per cent of the sum insured thereon.

17. If the President elects to pay eighty per cent of the cost of restoring the property insured, the Insured shall, if so required by the President reconstruct the property or remove the property to and reconstruct it in such other locality as may be specified by the President, in which case the Insured shall be compensated for the cost of removing and if necessary replacing such part of the property not affected by the loss or damage.

18. The following condition may be included in the policy at the request of the Insured:—

> "It is hereby agreed and declared that.....shall, to the extent of their interest in the property insured, be entitled jointly with the Insured to the rights hereby granted to the Insured, but not so as to grant to them any further or greater rights than those of the Insured under this Policy."

19. On an application being made in this behalf by the Insured, the policy may be renewed by a renewal endorsement made in the form specified in Part B of the Second Schedule to the Scheme, and on such renewal, the policy shall be valid for the period for which it has been renewed and shall be subject to the same terms and conditions as are specified herein.

PART B

FORM OF ENDORSEMENT

Endorsement No.....

Endorsement to Policy No.....

Sum for which insured

(1) Buildings

(2) Plant and Machinery and Materials

(3) Other properties (details to be given).

Name of Insured.....

In consideration of the Insured having paid a premium of Rs..... into the Treasury/Reserve Bank of India/State Bank of India at..... on the.....day of.....19 .
the within policy is hereby renewed for a further quarter/period commencing on.....and ending on.....on the same terms and conditions as embodied therein.

Note to the Second Schedule:—

Where the property to be insured is inland vessel:—

(a) In the form of policy for the entry "description and situation of the property insured" the entry "description of property insured" shall be substituted and under the said entry the following columnar headings shall be inserted:—

DESCRIPTION OF PROPERTY					
1	2	3	4		
Item No.	Registered No. Name or Mark of Identity	Description of vessel and purpose for which used	(a)	(b)	(c)
			Value of vessel including the machinery and fittings (if any)	Value of fuel and stores for the use of the crew.	Total value of (a) and (b)
			Rs.	Rs.	

(b) In the form of policy and in the form of endorsement, for the entries:—

"(a) Buildings.....Rs.....

(b) Plant, Machinery and Materials.....Rs.....

(c) Other properties (details to be given) Rs.....

Total Rs....."

wherever they occur,

the following entries shall be substituted, namely:—

"(a) Inland Vessels (including the hull, machinery, and fittings thereof).....Rs.....

(b) Fuel and Stores for the use of the crew. Rs.....

Total Rs.....".

THIRD SCHEDULE

(*See* paragraph 18)

Where any Officer authorised in this behalf by the Central Government, has reason to believe that the owner or occupier of any property insurable under the Act situated within the area over which he is authorised to act, has failed to insure as, or to the full amount, required by the Act or the Scheme, or having applied for a policy of insurance under the Act or the Scheme has failed to pay any premium payable under the Act and has thereby evaded the payment by way of premium of any money which he would have had to pay but for such failure, the Officer may serve on such owner or occupier a notice requiring him (i) to show cause on a date and at the time and place specified in this behalf why he failed to insure the property as, or to the full amount, required by the Act, and further (ii) to produce before the Officer on such date any document or other evidence in support of his case.

2. Upon cause being shown and after giving the defaulter an opportunity of being heard in support of the cause, the Officer shall assess the insurable value of the property and shall determine on the basis of such assessment the amount of premium, if any, payment of which has been evaded by the defaulter. In doing so, the Officer shall take into consideration such information as he may have received in accordance with section 8 after giving the defaulter an opportunity to explain the same.

3. If an owner or occupier fails to show cause against a notice issued under paragraph 1 of this Schedule the Officer shall assess the insurable value of the property on the strength of such materials as may be available to him and shall determine on the basis of such assessment the amount of permium payment of which has been evaded by the defaulter.

4. When any sum has been determined in accordance with paragraph 2 or paragraph 3 of this Schedule the Officer shall send to the defaulter a copy of his recorded assessment and determination, duly certified by him, and serve on him a notice

of demand specifying (i) the amount payable by him, (ii) the date within which it shall be paid and (iii) the treasury into which it shall be paid.

5. Any person against whom an assessment and a determination have been made in accordance with paragraph 2 or paragraph 3 of this Schedule may appeal to the Government of India, Ministry of Finance, Department of Revenue & Insurance within thirty days of the date of receipt of the notice of demand.

6. Where an assessment and a datermination is made against more persons than one in respect of the same property, every person preferring an appeal shall do so separately and in his own name.

7. An appeal under paragraphs 5 or 6 above shall contain all material statements and arguments relied on by the appellant, shall be accompanied by a copy of the notice of demand served upon the appellant, and shall be preferred through the authority against whose order the appeal is preferred.

8. The appellate authority shall consider—

(a) whether the facts on which the notice of demand was based have been established, and

(b) whether the sum determined as payable is excessive, adequate or inadequate,

and after such consideration shall pass such order as it thinks proper. But no order enhancing the amount determined as payable by the appellant shall be passed without first communicating to him the grounds on which such order is proposed to be passed and giving him an opportunity to show cause against the same.

FOURTH SCHEDULE

(*See* Paragraph 18)

GOVERNMENT OF INDIA

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971

(No. 51 of 1971)

Statement of claims under the Act.

Through Government Agent.

at.....

I/We of (address).....do hereby solemnly declare that on or about.....O'clock A.M./P.M. Indian Standard Time on the..... day of 19 , property which was insured under the policy or policies detailed in Schedule A annexed hereto, was destroyed or damaged by an act comprised in the expression "Emergency Risks" as defined by the Emergency Risks (Undertakings) Insurance Act, 1971. The actual details of the act (manner in which the damage occurred) are given below:—

.....

I/We futher solemnly decalre that at the time of the said loss or damage the actual value of the property as described in the said policy or policies amounted to Rs. as more particularly set forth in the annexed Schedule B, and that apart from myself/ourselves no person other than.....has any interest in the said property.

I/We therefore claim from the Government of India the sum of Rupees..... as detailed in Schedule C annexed hereto and I/We solemny declare that this Statement of Claims is a true and accurate statement of the loss sustained by me/us, without inclusion of profit of any kind.

Declared before me

this day of.....19.. Signed.....

and identified by

who is personally known to me.

COURT SEAL

MAGISTRATE

SCHEDULE A

Statement of Policies in force on the date of loss or damage

(1) Policy No.	(2) Date of issue	(3) Sum Insured	(4) The Property insured as described in Policy

SCHEDULE B

Statement of property insured under the Act

(1) Description of property	(2) Sound Value of Property	(3) Location of Property

SCHEDULE C

Statement of loss or damage

(1) Description of property damanged or destroyed.	(2) Sound Value	(3) Value of Salvage	(4) Actual Loss	(5) Amount to be paid by the Central Government.

ASSESSOR'S CERTIFICATE

I/We.....being Assessor/s duly appointed under paragraph 18(2) the Emergency Risks (Undertakings) Insurance Scheme certify that from a eful examination carried out by me/us of the scene of the loss or damage and the production of books, documents, invoices and other evidence have satis- yself/ourselves that the property was fully insured at the time of the loss ge, and that the statement of claims as detailed herein, (*and in our tached) is a true and proper statement of the actual loss as the direct mergency Risks only.

Time taken on assessment

Fee Rs.....

Signature of Loss Assessor

Address

Date

RECOMMENDATION OF GOVERNMENT AGENT

We certify that the claim detailed in this Statement of Claim was received by us in accordance with Condition 7 of the Insurance Policy, that the Statemant of insurances in force contained in Schedule A is a correct statement, that we have investigated the claimants' title, and we recommend that (i) (*except as stated in the attached report) the sum of Rupees be paid in full and final settlement of the loss, (ii) and (iii) that the sum of Rupees be paid to the Assessor in respect of his fee and expenses.

Signature of Government Agent

Date

GOVERNMENT ORDERS FOR DISPOSAL

*Delete and initial deletion if no separate report.

FIFTH SCHEDULE

(*See* Paragraph 18)

GOVERNMENT OF INDIA

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971

(No. 51 of 1971)

Receipt of Claims

Claim No.

Received this day of 19.... from the Government of India the sum of Rupees.....in full discharge of all claims as the..... instalment of the claim upon them under the Policy/Policies No./Nos. issued under the Emergency Risks (Undertakings) Insurance Act, for loss or damage, arising from Emergency Risks as defined in the said Act which occurred on the day of 19.... in consequence of which the amount insured by this Policy is reduced to the extent of Rs.

Signature of Claimant.

(Stamp)

SIXTH SCHEDULE

(*See* Paragraph 21)

Account of sums received into and paid out of the "Emergency Risks (Undertakings) Insurance Fund during the year ending the year 19 .

RECEIPTS			EXPENDITURE		
	Amount	Progress of receipts upto the end of		Amount	Progress of expenditure upto the end of
	Rs.	Rs.		Rs.	Rs.
1. Insurance premiums			1. Remuneration and expenses of Government Agent and cost of forms.		

	Amount	Progress of receipts upto the end of		Amount	Progress of expenditure upto the end of
	Rs.	Rs.		Rs.	Rs.
2. Advances from Consolidated Fund of India Under Section 7(3).			2. Payments of liabilities under the Emergency Risks (Undertakings) Insurance Scheme and remunerations and expenses of Loss Assessors appointed under the Scheme.		
3. Miscellaneous receipts.			3. Payment under section 10 where the insured property is required to be removed to and reconstructed in another locality.		
			4. Refund of premium under Section 16.		
			5. Repayments of advances made under Section 7(3)		
			6. Miscellaneous expenditure (showing details if necessary)		
			7. Sums disposed of in accordance with Section 7(4)		
TOTAL					

SEVENTH SCHEDULE

(*See* Paragraph 6)

FORM 1

Transfer of Policy from owner to owner.

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971.

(No. 51 of 1971)

Notice of assignment to be completed in triplicate and sent for registration to the Government Agent.

Policy No.

Buildings Rs.

Machinery/Plant/

Material Rs.....

Other properties

(Give details) Rs.....

Total Rs.....

Description and situation of Property.

I/We do hereby assign all my/our rights, title and interest in the above mentioned Policy and all benefit thereunder to

Dated this day of 19

Witness to Signature (Signature of Assignor).

I/We Assignee / Assignees

in

accepting the above assignment agree that the application form referred to in the Policy as forming the basis thereof shall continue to form the basis of the Policy.

Witness to Signature (Signature of Assignee).

Registered in the Office books of the Government Agent at this day of

(Signature of Government Agent).

NOTE.—In registering the assignment the President is not to be understood to express any opinion as to the validity or otherwise of the Deed or Deeds of which he receives notice.

The original of this form is to be returned to the Assignee.

The duplicate of this form is to be sent to the Accounts Officer concerned.

The triplicate of this form is to be retained by Government Agent.

FORM 2

CHANGE OF OCCUPIER

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE ACT, 1971

Notice of change of Occupier to be completed in triplicate and sent for registration to the Government Agent.

Policy No.

Buildings Rs.

Machinery/Plant/Materials

Rs.....

Other properties (give details)

Rs.....

Total Rs.

Description and situation of Property.

Name and address of Owner.

I/We do hereby assign all our rights to act as Agent of the owner in the matter of maintaining the above policy in force, to the Occupier namely.....

Dated this day of 19 .

Witness to Signature (Signature of Occupier)

I/We being the new Occupier/Occupiers in accepting the above assignment agree that the application form referred to in the Policy as forming the basis thereof shall continue to form the basis of the Policy.

Witness to Signature (Signature of new Occupier)

Registered in the office books of the Government Agent at.....this day of.....19 .

(Signature of Government Agent)

NOTE.—In registering tha assignment the President is not to be understood to express any opinion as to the validity or otherwise of the Deed or Deeds of which he receives notice. After registration the original of this form must be sent to the new Occupiers, the duplicate to the Accounts Officer concerned and the triplicate retained by the Government Agent.

[No. 66(1)-INS. I/71-I.]

S.O. 5487.—In exercise of the powers conferred by sub-section (1) of section 5 of the Emergency Risks (Undertakings) Insurance Act, 1971 (51 of 1971) the Central Government hereby specifies the 10th day of December, 1971 as the date for the purposes of that sub-section.

[No. F. 66(4)INS. I/71-IV.]

A. RAJAGOPALAN,
Officer on Special Duty & *Ex-Officio* Addl. Secy.

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